

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  IOWA TELECOMMUNICATIONS SERVICES, INC., d/b/a IOWA TELECOM	DOCKET NO. WRU-04-30-263 (TF-04-182)
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**ORDER GRANTING WAIVER**

(Issued July 9, 2004)

On June 8, 2004, Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom (Iowa Telecom), filed proposed tariff revisions to remove three calling plans from its Iowa Tariff No. 1. The proposed tariff revisions have been identified as TF-04-182. In support of its proposed revisions, Iowa Telecom states that the calling plans involve interexchange or toll services, and the Board has previously found intraLATA toll services to be subject to effective competition and therefore deregulated them.<sup>1</sup> The three calling plans Iowa Telecom proposes to terminate are:

- Community Plus Calling Plan. This plan allows customers to call all exchanges within 30 miles for a monthly recurring charge of \$1 and a usage charge of \$0.09 per minute.
- Premium Calling Plan. This plan provides customers with up to 12,550 minutes of calling per month to all exchanges within 30 miles. The monthly

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<sup>1</sup> In re: Deregulation of Competitive Interexchange Services, et al., "Order Finding Certain Services Subject to Effective Competition and Other Services Not Subject to Effective Competition," Docket No. INU-95-3 (May 20, 1996).

recurring charges for residential and business customer are \$25 and \$50 respectively. The per minute of use rate is \$0.09 for usage over the limit.

- The Extended Local Calling Plan. This plan provides for 70 minutes of intraLATA calling with additional minutes charged at \$0.08 per minute.

The Community Calling Plan and the Premium Calling Plans are offered in all Iowa Telecom exchanges with the exception of Atalissa, Moscow, and Rochester. The Extended Local Calling Plan is offered to customers in Eldora, Forest City, and Oxford Junction.

Iowa Telecom indicates it will continue to offer these calling plans on a deregulated basis to existing customers at existing locations from its deregulated Rates and Services Guide, until such time as substitute toll plans are offered. Iowa Telecom asserts it is no longer economically viable to provide these calling plans in the manner in which they are offered.

Iowa Telecom further states that, concurrent with this tariff filing, it will begin calling each affected customer. These customers will be presented with the following four product alternatives:

- Unlimited nationwide (interstate and intrastate) calling for \$0.09/minute with a \$1 monthly recurring charge.
- Unlimited interstate calling for \$0.06/minute with a bundle of 350 minutes of statewide calling with a \$25 monthly recurring charge. Additional minutes are charged at \$0.10/minute.

- A bundle of 1,000 nationwide minutes with a monthly recurring charge of \$69.95. Additional minutes are charged at \$0.10/minute.
- For customers that don't opt for the above Iowa Telecom products, competitive nationwide and statewide plans are available from major interexchange carriers.

Iowa Telecom intends to contact all Community Plus Plan customers within approximately four weeks. The unlimited \$0.09/minute nationwide plan should present a significant improvement for these customers, according to Iowa Telecom. Transferring to the nationwide plan will greatly increase the customer's calling scope with no increase in cost. Iowa Telecom asserts that Premium Calling Plan and Extended Local Calling Plan customers will also have comparable or more advantageous plans available to them. Iowa Telecom anticipates the process of contacting the Premium Calling Plan customers to last six weeks.

Iowa Telecom projects it will have to migrate more than 50 percent of its Premium Calling Plan and Community Plus Calling Plan customers through this telemarketing effort. After the remaining customers have had ample opportunity to migrate to a comparable plan, Iowa Telecom intends to notify such customers of the date on which the grandfathered offerings will end, which will be at least 30 days following the notification.

Iowa Telecom states that in prior deregulation dockets, the Board has determined that price regulation renders the accounting plan requirements of Iowa

Code § 476.1D meaningless. Iowa Telecom operates under price regulation pursuant to Iowa Code § 476.97 and, therefore, requests that the Board grant a waiver of the accounting plan requirements of § 476.1D.

No objections have been filed with respect to this filing.

The Board has reviewed Iowa Telecom's request for waiver and will grant it. In making this determination, the Board has considered the requirements of its waiver rule, 199 IAC 1.3, and finds that the application of the accounting plan requirements would pose an undue hardship on Iowa Telecom because, under price regulation, the accounting plan would serve no purpose. While the accounting plan is contemplated pursuant to § 476.1D, that requirement is typically based on the assumption that the carrier is operating under traditional cost-based rate regulation, which is not true of Iowa Telecom. In this proceeding, the accounting will not serve any other purpose. Therefore, the waiver will not prejudice the substantial legal rights of any other person, because no person has a right to a meaningless and useless accounting plan. Finally, the Board finds that substantially equal protection of the public health, safety, and welfare will be afforded by other means, specifically by Iowa Telecom's operation pursuant to price regulation.

**IT IS THEREFORE ORDERED:**

The request for waiver filed by Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom, on June 8, 2004, is granted.

**UTILITIES BOARD**

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 9th day of July, 2004.